

(Rs. in lakhs)

SI. No.	Name of the Project	Amount Sanctioned	Amount Released
8.	Expansion of tourist complex at Bhuj	24.72	7.40
9.	Refurbishment of Polo Monument at Vijayanagar	30.00	0.01 (token amount)
10.	Upgradation expansion of tourist complex at Saputara	24.91	0.01 (token amount)
11.	Public convenience facilities at Saputara	15.00	0.01 (token amount)
12.	Wayside amenities at Halvad	20.00	0.01 (token amount)
13.	Fairs and Festivals (7)	19.00	9.50
TOTAL:		327.64	75.59

Rationalisation of Income tax structure

*416. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) the approximate amount of income tax paid in the normal course every month by Government officials of the rank of section officer and above;

(b) whether it is a fact that incidence of income tax is harsh in cases of single incomes and for planning post retirement requirements;

(c) the steps Government propose to rationalise the income tax structure to provide for zero tax liability by promoting short and long term savings in priority sectors; and

(d) whether Government propose to withdraw the surcharge on income tax as promised by the Finance Minister at the time of its imposition, if so, by when; and if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (V. DHANANJAY KUMAR): (a) No such statistics are maintained in respect of the amount of income-tax paid every month by Government Officials of any particular cadre.

(b) In view of the threshold limit of Income-tax of Rs. 50,000/- for individuals, standard deduction on salaried income upto a maximum amount of Rs. 25,000/- and maximum tax rebate of Rs. 10,000/- on

[22 August, 2000]

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specified savings, and taking into account other deductions and exemptions, the incidence of income-tax cannot be said to be harsh on any class of tax payers.

Besides, there are specific schemes exempting income of certain classes of employment. Interest income on notified bonds or debentures is exempt under section 10(15) of the Income-tax Act.

(c) To rationalise the income-tax structure, the Government reviews saving schemes provided for priority sectors during the annual budget exercise. Some of the steps taken to provide short and long term savings in priority sectors, include tax rebate under Section-88 for investments in equity shares or bonds made by a public company developing infrastructure facility. Under Section 54EC, long term capital gains becomes tax free if invested in bonds issued by National Bank for Agriculture and Rural Development and National Highways Authority of India.

(d) The surcharge of Income-tax is levied on an yearly basis and only when necessitated by unavoidable circumstances. An across-the-board 10% surcharge was levied through Finance Act, 1999 to cater to growing development expenditure and also to contain the revenue and fiscal deficit. The surcharge was meant to be temporary but had to be continued next year due to a heavy and unexpected expenditure burden, mainly on account of defence requirements and transfer to States mandated by the Finance Commission. The rate of surcharge was moderately increased from 10% to 15% on non-corporate taxpayers in the Finance Act, 2000.

As per the provisions of the Act, the surcharge will lapse after the financial year ends. Whether the same is to be re-introduced or not, will be considered at the time of preparation of next budget and will depend on the expenditure requirements of the Government.